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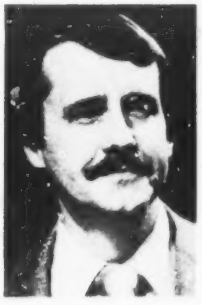
RV FINANCIAL FACTS

A quarterly newsletter for the financial community about RVs and the family camping industry...

Vol. 10, No. 3 Fall-Winter 1984-85

Thomas Goldman


O. D. Nelson

David Altman

Robert R. Rawlings

150 RV Dealers Hear Experts

Seminar Urges Good Lender Relations

"The Credit Decision: Heads or Tails?" was the provocative question posed to the 150 RV dealers who attended the finance seminar held during the recent 22nd Annual National RV Trade Show held in Louisville, KY. The half-day seminar was sponsored by RVIA's Finance Committee in order to show dealers the ingredients that influence the lender in making the decision to extend credit to the RV dealer and his customers.

After welcoming remarks by Robert L. Berner, vice president, Citicorp Acceptance Corp. and chairman of RVIA's Finance Committee, and Gene Stout, executive vice president of Coachmen Industries, Elkhart, IN, and chairman of RVIA's board of directors, the group heard David J. Humphreys, RVIA president and general counsel, who provided insight into the current state of the RV industry.

Thomas Goldman, vice president, Information Services, TRW, Orange, CA, followed with remarks on the role of credit reporting agencies and how they are used by the financial community.

Credit scoring and how the systems work was explained by O.D. Nelson, vice president, Marketing and Customer Services, The Fair, Isaac Companies, San Rafael, CA.

David Altman, president of Altman's RV Center, Baldwin Park, CA, a leading RV retail outlet on the West Coast, explained how his organization manages its credit sales department. He stressed that sales and financing shoiuld be handled by two separate managers.

Robert Rawlings, vice president of C.I.T. Financial Services, Livingston, NJ, spoke on the importance of establishing mutual trust and open communication between dealer and lender if the relationship is to be long term and profitable for each.

The meeting concluded with an explanation by William R. Garpow, RVIA's vice president of communications and RV staff liaison with the RVIA Finance Committee, of the resource materials available from RVIA that the dealer can utilize in informing the loan officer of financial institutions about the credit worthiness of the RV buyer.

In addition, RVIA's Finance Committee, as part of its continuing Reach-Out Program to the financial community, has provided representatives to speak before four financial groups since April.

Speaking at lenders seminars in Howell, Mich. (April 18) and Harrisburg, Penn. (Sept. 12), Bill Garpow addressed hundreds of lending officials. The seminars were conducted by the Michigan Association of Recreation Vehicles and Campgrounds and the Pennsylvania RV & Camping Association.

(more on page 2)

Consumer Buying Attitudes

*("Consumer Buying Attitudes" will be featured each quarter in *RV Financial Facts* to help alert readers to current consumer attitudes and trends as determined by a nationwide monthly survey conducted by the Survey Research Center, University of Michigan.)*

- Consumer evaluations of their personal financial situation remained at very favorable levels through November. Among all families, 46% recorded recent improvements in their finances, up 38% from one year earlier. Improvement during the year ahead is expected by 39% of all families, unchanged from one year earlier. Just 10% of all families expect a worsening financial situation during the year ahead.

- Although the pace of economic growth was expected to remain slow, good times financially in the economy as a whole are expected to prevail during 1985. Of all the families surveyed in November, 59% expect good economic times.

- The majority of families surveyed in November continue to favorably rate buying conditions for homes, vehicles, and large household durables.

Source: *"Survey of Consumer Attitudes,"* November 1984. Survey Research Center, University of Michigan.

RECREATION VEHICLE INDUSTRY ASSOCIATION

Magazines Highlight RV Loan Profitability

Nationally-circulated articles on the profitability of RV financing have surfaced in several major finance industry publications during the year.

Credit magazine, the major source of information for 23,000 lenders in the financial services industry, has just published a three-page article titled "RV Financing: A Multi Billion Dollar Opportunity" in its November/December issue.

RV Survey Featured

The article highlights the "1984 Annual Recreation Vehicle Financing Survey," sponsored by RVIA's Finance Committee, which details the past experience of RV lenders as well as their plans for future RV loan portfolios. It also gives background information on RV buyers and RV loan delinquency ratings.

The finance survey was also highlighted in three publications that are read by 42,000 thrift officials, the newest entrants into RV financing. The first was *Operations Alert,* the newsletter of the United States League of Savings Institutions, which ran an article in its September 24 issue titled "Survey Shows RV Loans Remain Profitable."

Also, *National Thrift News* came out with a story on "Thrift RV Loans Rise To $47 MM in 1983" in its August 20 issue, and *Savings Institutions* magazine had an article called "Institutions Launch Boat and RV Loans" also in August.

Profit Potential Stressed

Earlier, the April 2 issue of *Bank Letter,* a weekly banking industry publication, contained a story headed "RV Financing Increases $3.2 Billion, Nearly Double 1982 Figure."

All five articles painted a rosy picture of RV financing and the profit potential it can offer to lenders.

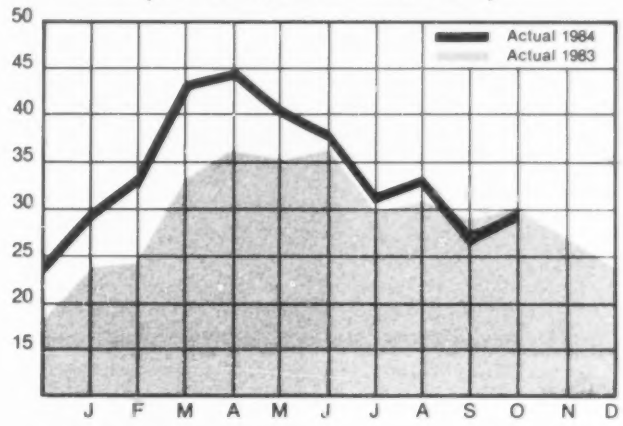
RVIA Moves Office

RVIA has moved. The new phone number and address are:

Recreation Vehicle Industry Association
P.O. Box 2999
1896 Preston White Drive
Reston, Virginia 22090
(703) 620-6003

These changes are in effect immediately.

Total RV Shipments by Months, 1983-84
(in thousands of vehicles)



Source: Recreation Vehicle Industry Association

Year-to-October Shipments up 12%

Shipments of recreation vehicles from manufacturers to dealers were up 12% over a year ago, according to the latest monthly figures available (October 1984) from RVIA's Marketing Department.

Total shipments as of October were 344,100 units compared to 307,200 at the same time in 1983. When total yearly shipments are in, forecasters are anticipating that 1984 will be 12%-16% ahead of 1983. It will be the biggest year for the RV industry in the last six years.

Motor Homes Show Biggest Growth

Of the three basic types of RVs, the largest percentage growth occurred in the motor home category, up 19.9% to 70,500. Next in percentage growth were multi-use van conversions, up 13.5% to 147,500, followed by towable RVs, up 6.4% to 126,100.

The most popular motor homes were the largest units — Type A Conventional—(35,300 units), followed closely by Type C mini-motor homes (29,300) and then Type B van campers (5,900). Van camper shipments, however, had the biggest percentage gain, up 28.3% compared to a rise of 26.5% for Type A Conventionals and 11.4% for mini-motor homes.

The most popular towable RVs by far were conventional travel trailers (83,500 units). Shipments for folding camping trailers was 35,500 and for truck campers was 7,100. Truck camper shipments so far this year have risen 12.7%, folding camping trailers have grown in shipments 8.9% and conventional travel trailers are up 4.9%.

For the month of October alone, 29,700 units were shipped, down 1% from last October's total of 30,000. Of these, 13,300 were multi-use van conversions, 10,700 were towable RVs and 5,700 were motor homes.

Consumer intentions to rent and buy RVs remained high, according to data charted monthly by the Survey Research Center of the University of Michigan.

Survey participants were asked the question: "Would you consider renting or buying a recreation vehicle in the next year or so?" In October, 17.9% said "yes" they would consider renting and 5.7% said "yes" they would consider buying.

Dealers Seminar *(from page 1)*

In October, Thomas J. Fogarty, a member of the Finance Committee and senior vice president of Coachmen Industries, addressed the Annual Convention of the Rhode Island Bankers Association.

In addition, David J. Humphreys, RVIA's president and general counsel, spoke to a group of lenders at General Electric Credit Corporation's Convention in Scottsdale, AZ, on December 10.

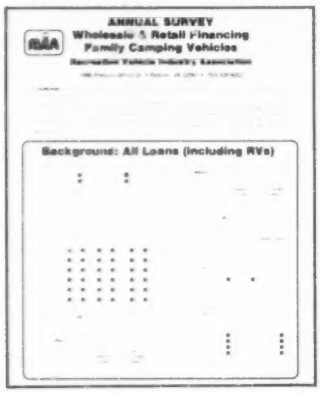
"Reaching the grass roots and promoting communication between the lending community and the RV industry is an ever growing opportunity," according to Berner. "We welcome invitations to reach financial groups so that we can show them the profitability of the RV portfolio now and in the future."

Survey To Query Lenders on RV Portfolio Profits

Questionnaires are now being mailed to more than 7,000 commercial banks, sales instalment finance firms, credit unions and savings and loan institutions by RVIA as part of the association's ongoing effort to communicate and educate the financial community on the current trends and profit opportunities in RV financing.

Overview of RV Lending

RVIA is querying the financial firms on their experiences in lending to RV manufacturers, dealers and buyers in 1984, and the results will be compiled into RVIA's Sixth Annual Recreation Vehicle Financing Survey. The completed survey will give an overview of RV lending profitability; gross dollar volume of RV loans outstanding; the most common methods used for determining loan values;



minimum down payments required; numbers of RV direct, RV indirect and RV wholesale (floorplanning) loans made; types of accounting methods used; numbers of RV loan defaults and repossessions, and much more.

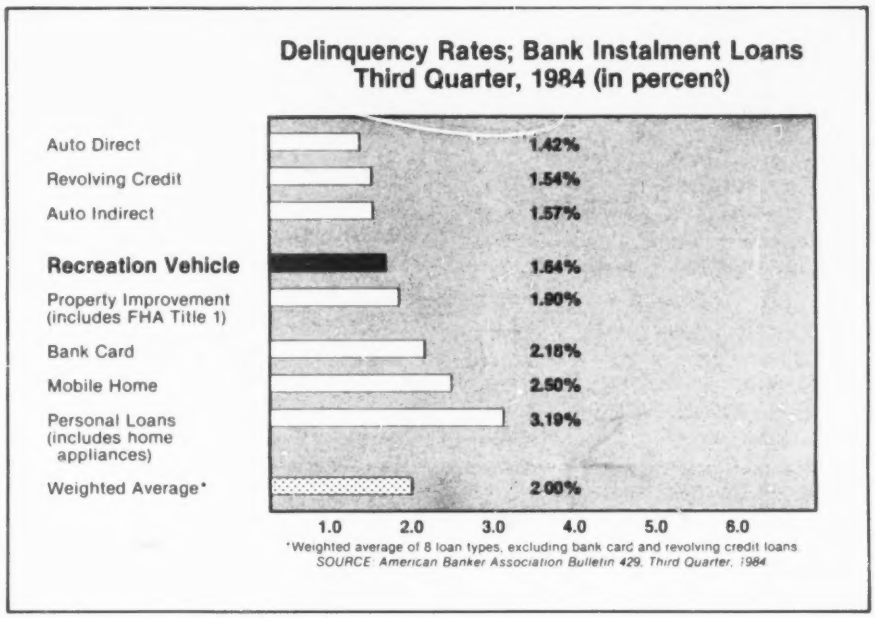
The survey has traditionally proven a useful tool for loan officers in comparing their RV portfolios with those of other financial institutions and in developing and representing new loan sources to their institutions.

The survey questionnaires will be returned to Jon Whitney Associates of Austin, Tx., specialists in marketing research and forecasting in the RV and manufactured housing industries, where the information will be compiled and analyzed before its release.

Complimentary Copies Available

Those financial firms that participate in the survey will automatically receive a complimentary copy of the finished report as soon as it's published, which is expected to be in the late spring. Other loan officers can receive a complimentary copy of the completed survey on request.

Loan officers who wish to participate in the RV financing survey can write to RVIA, P.O. Box 2999, Dept. FQ, Reston, VA 22090, and they'll receive the questionnaire immediately.



RV Loan Delinquencies Improve

Recreation vehicle loans have a better delinquency rating than in 1983. According to 1984 second and third quarter delinquency rate figures regularly charted by the American Bankers Association (ABA).

Other loan types charted by ABA were: property improvement/FHA Title 1 loans (1.87% and 1.90%); bank card loans (2.14% and 2.18%); mobile home loans (2.48% and 2.50%), and personal loans, which include home appliance loans (3.13% and 3.19%).

The ABA defines a delinquent loan as one that is 30 days or more past due.

The figures show the delinquency rates on RV loans in the second and third quarters were 1.54% and 1.64%, respectively. In the second quarter, RV loans ranked third in prompt repayments among a field of eight loan types regularly charted by ABA. In the third quarter, RV loans ranked fourth.

RV loan delinquencies dropped from the same time a year ago, when they were 1.77% and 1.63%. As previously reported, 1984's first quarter rating was a mere 1.48%, the lowest that RV loan delinquencies have been in more than seven years.

In both the second and third quarters of this year, RV loans remained far below the weighted average of the eight loan types regularly charted by ABA, which was 2.01% and 2%.

In addition to RV loans, the best repayment ratings were for direct automobile loans (1.46% and 1.42%), indirect automobile loans (1.52% and 1.57%) and revolving credit loans (1.83% and 1.54%).

RVIA to Exhibit at '85 Lenders' Conventions

The RVIA Finance Committee will be continuing its program of participating in conferences of the financial community by exhibiting at the American Bankers Association's National Retail Banking Conference in San Francisco, Calif., March 31-April 3, 1985.

In October, the Finance Committee exhibited at the annual convention of the U.S. League of Savings Associations, Oct. 28-31, in Washington, D.C., attended by more than 2,000 lenders.

The RVIA exhibit presents attractive full color displays of RVs as they are enjoyed by owners as well as a full range of publications and financial resource materials produced by the association.

3 New Appointees

Experts Named to Finance Committee

Three new members have been appointed to RVIA's Finance Comittee by Robert L. Berner, the committee's chairman and vice president, Citicorp Acceptance Company, Inc. in New York.

The new committee members are: Roger Kirwan, president, Ganis Corporation, a finance firm in Newport Beach, CA; Stephen T. Decker, president, Skamper, an RV manufacturer in Bristol, IN, and John Thompson, vice president, TL Enterprises, Inc., an RV publishing company in Agoura, CA.

Committee members who will continue to serve in 1985 are: Robert R. Rawlings, vice president, CIT Financial Services, Livingston, NJ; Joe Gessiness, president, Lear-Siegler Finance Corporation, Goshen, IN; J. Ron Hanna, manager, Winnebago Acceptance Corp., Forest City, IA; Joseph L. Lombardo, vice president of sales, American Acceptance Corp., Norristown, PA; H. James Hentz, area manager, Borg Warner Acceptance Corp., Palatine, IL; Tom Fogarty, senior vice president, Coachmen Industries, Elkhart, IN, and E.R. Best, corporate credit manager, Fleetwood Enterprises, Inc., Riverside, CA.

Berner has been reappointed chairman of the committee for 1985 by RVIA's Chairman of the Board Gene Stout, executive vice president of Coachmen Industries.

RVIA Elects New Officers

Gene Stout, executive vice president of Coachmen Industries, Inc., Middlebury, IN, has been newly elected as RVIA's chairman of the board for 1985. He and four other officers of the association were elected at RVIA's Board of Directors meeting, September 18 in Coronado, CA.

Gene Stout

Stout has been a member of the board since 1982 and had served as first vice chairman since 1983.

Also elected as officers of RVIA's board for 1985 were John Casey, president of Shurflo/Shurton, Anaheim, CA, as first vice chairman after serving as second vice chairman since 1983, and Don Cuzzocrea, president of Starcraft R.V., Topeka, IN, as the new second vice chairman.

Warren Jones, president and chief operating officer of Hehr International, Inc., Los Angeles, CA, was re-elected to serve as treasurer, and Bill Doyle, president of Western Recreational Vehicles, Inc., Yakima, WA, will be the board's new secretary.

These five officers as well as the immediate past chairman Norman Jacobson, vice president of Contempo Enterprises, North Hollywood, CA, and David J. Humphreys, RVIA's president and general counsel, will serve as the executive committee of the RVIA board for one year effective October 1.

RV FINANCIAL FACTS

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription available upon request.

RVIA Finance Committee:
Chairman, **Robert L. Berner,** Citicorp Acceptance Company, Inc., New York City; **E.R. Best,** Fleetwood Enterprises, Riverside, CA; **Stephen T. Decker,** Skamper, Bristol, IN; **Tom Fogarty,** Coachmen Industries, Elkhart, IN; **Joe Gessiness,** Lear Siegler Finance Corporation, Goshen, IN; **Ron Hanna,** Winnebago Acceptance Corp., Forest City, IA; **H. James Hentz,** Borg-Warner Acceptance Corp., Palatine, IL; **Roger Kirwan,** Ganis Corporation, Newport Beach, CA; **Joseph L. Lombardo,** American Acceptance Corp., Philadelphia, PA; **Robert R. Rawlings,** CIT Financial Services, New York City; **John Thompson,** TL Enterprises, Agoura, CA; **William R. Garpow,** *Vice President of Communications,* RVIA Staff, Chantilly, VA.

Julia Herron, *Editor & Director of Publications;* **Jordene Zeimetz,** *Contributing Editor;* **Nita Wood,** *Circulation Manager*

Recreation Vehicle Industry Association, P.O. Box 2999, 1896 Preston White Drive, Reston, VA 22090 (703) 620-6003; Western Office: 1748 West Katella Avenue, Orange, CA 92667 (714) 532-1688.

MARCH 15
DEADLINE FOR RETURNING
RV FINANCE QUESTIONNAIRE
(See Page 3)

Upbeat Attitude Prevails at RVIA's Two Annual Shows

RVIA's two annual trade shows — in Los Angeles and Louisville — were bigger this year than at any time in the last six years, and most exhibitors were pleased with the upbeat mood of dealers and the prospect for another good year for the industry in 1985.

"1985 will be gangbusters and will surprise a lot of people," said Ron Towry, president of Mobile Traveler Inc., a motor home manufacturer in Junction City, Ks., at the conclusion of the 32nd Annual Recreation Vehicle and Manufactured Housing Show, held Oct. 30-Nov. 12 at Dodger Stadium in Los Angeles.

"Buyers' attitudes are good, and the dealers are very positive, although they are being somewhat cautious about their inventory levels," Towry said.

A total of 834 RV dealerships sent representatives to the Dodger Show, up 22% over last year. Dealers themselves totaled 2,026, the same as last year. The show covered 370,000 net square feet of exhibit area, making it 25% bigger than last year and the biggest in the show's 32-year history.

"We've been extremely pleased with the dealer interest here at the Dodger Show," said Matt Rose, regional sales manager of Carriage Inc. of Millersburg, Ind., a travel trailer and van conversion manufacturer. "Business is good, the industry is strong and we expect to have a good year."

"Without exception, everybody is up," agreed Dave Henry, president of Overland Industries, Inc., of Orange, Calif., a manufacturer of motor homes.

"The show for us has been really good and the reception we've received has been excellent," said Dick Harmelink, area manager, generator division of Kohler Company of Laguna Niguel, Calif. Harmelink said he anticipated 1985 and 1986 would remain strong for the industry.

Exhibitors were equally upbeat at RVIA's 22nd Annual National RV Trade Show, Nov. 27-30 at the Kentucky Exposition Center in Louisville, Ky., which covered more than half a million net square feet (501,083) and boasted 340 manufacturer and supplier exhibitors. The show, which is strictly a trade show and is not open to the public, attracted 14,420 RV industry representatives, including 6,676 RV dealers, down slightly from 1983's 7,845 total.

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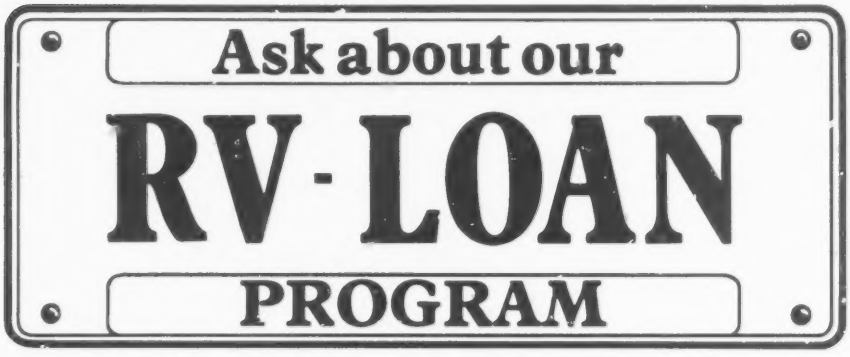


New display card for use at tellers' counters and drive-up windows alerts customers that a financial institution wants to make RV loans. Designed to look like a license plate, the cards are available from RVIA.

New Bank Card for RVs

Sales Aid Ready for Loan Officers

"Ask About our RV Loan Program" is the message of a new specially-designed counter display card now available to the lending community from RVIA's Finance Committee, as part of its ongoing outreach program to the financial community.

Printed in richly-colored royal blue and white, the tent-like card is designed to resemble a license plate.

Another similar display card printed in a handsome dark red is also available and carries the slogan, "Ask About our Van Conversion Loan Program."

The purpose of the counter cards is to help individual financial institutions promote their RV and van conversion loan programs, including retail and wholesale (floorplanning) loans.

Intentionally small in size (only 4" × 9"), the cards can easily be displayed at drive-in windows, bank counters and on the desks of loan officers to promote the institution's RV and/or van conversion loan program. The cards are also meant to be used in conjunction with retail shows where financial firms work with RV and/or van conversion dealers to promote their services.

Quantity orders of both types of the easy-to-read, attention-getting display cards are available for $5 per 25 cards from RVIA, Dept. TNT, P.O. Box 2999, Reston, Va. 22090. Minimum order: 25 of one style.

We're No. 1!

RVs Lowest in Delinquencies

Recreation vehicle loans have the best delinquency rating among consumer loans, according to 1985 first quarter figures charted by the American Bankers Association (ABA).

Topping the list, RV loans were a mere 1.57% delinquent, substantially better than the 2.20% weighted average of the eight loan types regularly charted by ABA. (See chart, p. 3.)

Although historically always among the best in timely repayments, this marks the first time that RV loans have ranked #1 in lowest delinquency ratings. They shot up to first place from fourth position last year. In 1984, their delinquency rating was 1.60%, compared to a 1.95% weighted average; in 1983, it was 1.74% compared to a 1.81% weighted average.

Evidence that RV borrowers have remained remarkably consistent in their

(more on page 2)

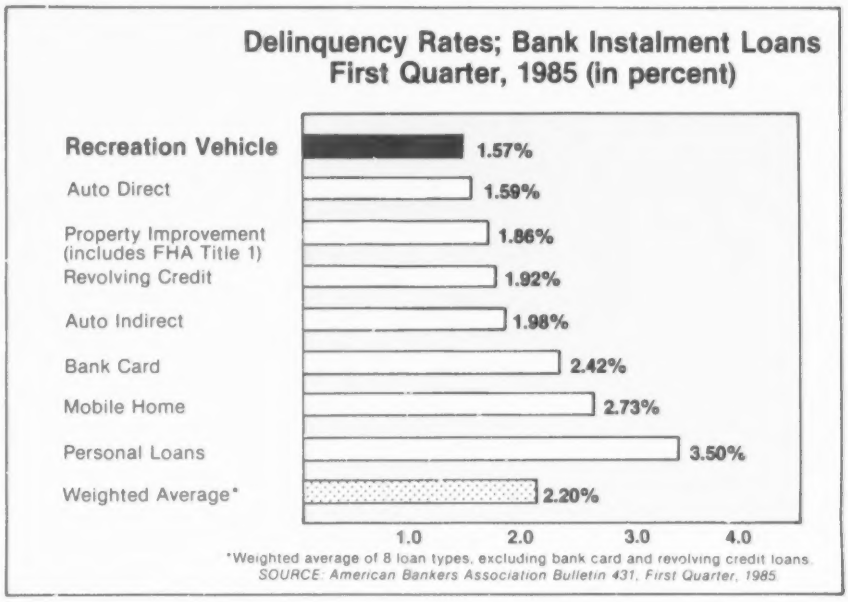
Customers at the counter of Teller Brenda Combs at First Virginia Bank, Reston, Va. have a good view of the RV loan message as they wait for service.

RV Travel Best Bargain

A new study comparing vacation costs found that traveling by recreation vehicle is overwhelmingly the most economical way to travel.

The study determined that vacations in RVs, on average, cost 50% less than comparable car/hotel vacations, 67% less than bus/hotel and train/hotel trips, and 75% less than air/hotel vacations.

Pannell Kerr Forster, an international firm of certified public accountants with particular expertise in the tourism and hospitality industries, conducted the study in the Summer of 1984 using a hypothetical travel party of two adults and two children traveling between 38 selected city pairs in the United States.



RV/Camping Best Bargain

They found that camping vacations using different types of recreation vehicles (motorhomes, travel trailers, truck campers and folding camping trailers) were the four most economical types of vacations among eight vacation types studied regardless of trip distance, trip duration, or regions of the United States within which vacations took place.

For example, Pannell Kerr Forster reported that a family of four taking an average 8-night vacation would spend only $516 using the most costly type of RV, staying at campgrounds and cooking a majority of their meals in their vehicle or outdoors at the campsite.

The same family traveling in their personal automobile, staying in one motel or hotel room, and eating a majority of their meals in restaurants would spend $1,055.

A family of four traveling by intercity bus or train, renting a car at the destination, staying in motels or hotels, and eating most meals in restaurants would spend even more—$1,527 by bus, $1,534 by train.

Air travelers (assuming the same ground arrangements as for bus and train travelers) would pay $1,946 for a comparable 8-night vacation.

The findings were similar for short weekend vacations and three-week cross-country vacations as well.

On an average 2-night weekend outing, a family of four would pay only $130 if they travel with their car towing a folding camping trailer, while the same trip would cost $287 if the family rents a room instead of a campsite.

On a 21-night trip, the cost would be only $1,266 for the family who travels in their own motorhome, but nearly four times greater—$4,680—if the family flies, rents a car and stays in motels.

Pannell Kerr Forster analyzed costs for fuel, roundtrip fares, restaurant meals, groceries, rental cars, campsites and hotels and motels. Air fares were based on an average of roundtrip coach, supersavers and special offerings. Hotels and motels and campgrounds in 104 cities were surveyed, and the aggregate average nightly rate was $50.24 for rooms, $10.46 for campsites.

Capital expenditures, such as ownership of automobiles, recreation vehicles, summer cottages, condominium apart-

(more on page 4)

Cost Comparison: Camping Vacations Using Recreation Vehicles Versus Other Types of Vacations (family of four)*

Vacation Type Transport Mode/Accommodation	Two Nights	Four Nights	Eight Nights	Twelve Nights	Sixteen Nights	Twenty-One Nights
Car/Folding Camping Trailer	$130	$ 236	$ 436	$ 613	$ 833	$1,082
Light Duty Truck/Truck Camper	147	266	483	677	925	1,197
Motorhome	158	283	512	713	977	1,266
Car or Truck/Travel Trailer	165	286	516	711	977	1,274
Car/Motels or Hotels	287	555	1,055	1,412	1,927	2,584
Intercity Bus/Motels or Hotels	474	883	1,527	2,002	2,694	3,690
Train/Motels or Hotels	417	918	1,534	2,012	2,732	3,738
Airline/Motels or Hotels	808	1,384	1,946	2,703	3,393	4,680

Source: Pannell Kerr Forster, *Certified Public Accountants*, 1984.
*Costs include fuel, food, rented cars, round-trip fares and overnight accommodations.

We're No. 1! *(from page 1)*

repayments is visible in their delinquency ratings during the previous five quarters. In the fourth quarter of '83, RV loan delinquencies were the same as they are now, only 1.57%. In 1984, RV loan delinquencies in the first quarter dipped to 1.48%, were 1.54% in the second quarter, 1.64% in the third and 1.77% in the fourth.

Currently ranking behind RV loans are the remaining seven loan types charted by ABA: direct (1.59%), property improvement/FHA Title 1 (1.86%), revolving credit (1.92%) and indirect auto (1.98%). Also, bank card (2.42%), mobile home (2.73%) and personal loans, which include home appliance loans (3.50%).

ABA defines a delinquent loan as one that is 30 days or more past due.

Rawlings Heads Finance Committee

Robert R. Rawlings, vice president of CIT Financial Services in Livingston, NJ, has been appointed chairman of RVIA's Finance Committee.

Robert R. Rawlings

Rawlings replaces Robert L. Berner, who has concurrently resigned as chairman and elected for early retirement from Citicorp Acceptance Company, Inc.

Under Rawlings' leadership, the committee will continue its long-term efforts to maintain open lines of communication between the financial community and the RV industry. In accepting the chairmanship, Rawlings said: "RVIA's Finance Committee is presently composed of members who bring to it diverse talents and background. It is a group representative of RV financing and is well equipped to carry on the goals laid down for it."

Rawlings has been with CIT for more than 25 years and during this time has been active in serving the needs of recreation vehicle dealers and manufacturers in various parts of the country.

Consumer Buying Attitudes

- The maintenance of comsumer sentiment at near record favorable levels points toward continued high levels of sales throughout 1985. The widespread availability of discounted prices and interest rates has restored buying attitudes to the cyclical peak levels recorded one and two years earlier.
- Personal financial progress has slowed, but the financial situation of families remains strong.
- Trends in interest rates on consumer loans will continue to influence demand, and less favorable job prospects are viewed as the primary source of future adversity.

Source: *"Survey of Consumer Attitudes,"* April 1985. Survey Research Center, University of Michigan.

'84 RV Shipments Best Since '78

Shipments of recreation vehicles (RVs) rose 11% in 1984, according to year-end figures available from RVIA's Marketing Department.

A total of 398,200 RVs were shipped from manufacturing plants to dealer lots last year, making 1984 the industry's biggest year in the last six years.

The 398,200 annual total for RV shipments has been unmatched since 1978, when 526,300 units were sold. The gas crunch the following Spring contributed toward a slump to 307,700 units in 1979. In 1980, high interest rates helped drop sales further to a low point of 181,400 units.

RV shipments have improved steadily since then to 239,100 units in 1981; 258,000 in 1982 and 358,000 in 1983.

1984 shipments outpaced the previous year in all RV categories. Of the three basic types of RVs, motorhomes showed the most growth, up 18% to 82,000. Next in percentage growth were multi-use van conversions, up 13.7% to 175,300, followed by towable RVs, up 4.9% to 140,900.

The most popular motorhomes were the largest units—Type A conventional with 42,100 units, followed by Type C mini motorhomes with 32,800. A small portion of motorhome deliveries were Type B van campers (7,100). Of the three types of motorhomes, percentage growth was the largest for van campers (up 26.8%), then for conventionals (up 26.1%) and minis (up 7.5%).

Travel trailers led the towable RVs with 92,400 units, up 2.7% over a year ago. The other two types of towable RVs—folding camping trailers and truck campers—accounted for 40,900 (up 9.1%) and 7,600 (up 11.8%), respectively.

The 1984 growth in RV sales is attributed to a variety of factors, including the improved economy, higher job security, plentiful gas supplies and lower gas prices. The availability and cost of money, and a renewed emphasis on family togetherness and outdoor activities among the American public have also contributed to the increased sales.

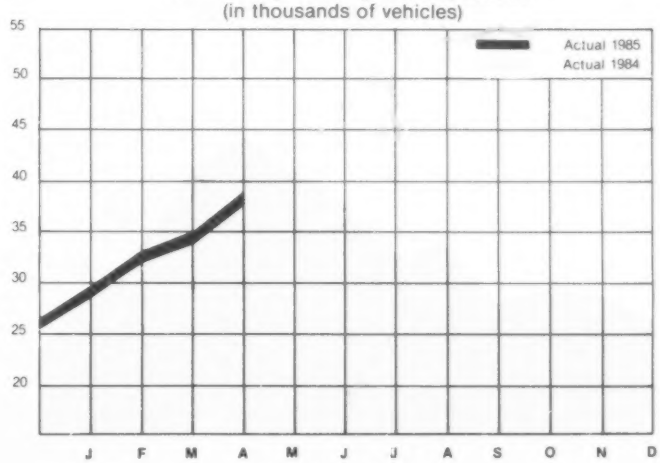
So far in 1985, optimism in the industry remains strong despite a leveling off of industry sales from manufacturers to dealers. The latest figures (for April) from RVIA's Marketing Department show 133,200 RVs have been delivered to dealer lots during the first four months of '85, a drop of 9.5% over a year ago. Of these, 57,300 were van conversions, 49,300 were towables and 26,600 were motorhomes.

"We expect RV sales overall to remain strong in 1985, although they won't be as high for manufacturers as in 1984," says David J. Humphreys, RVIA's president.

Consumer intentions to rent and buy RVs, according to data charted monthly by the Survey Research Center of the University of Michigan, still remain favorable. The latest monthly survey—conducted in April when survey participants were asked: "Would you con-

(more on page 4)

Total RV Shipments by Months, 1984-85
(in thousands of vehicles)



SOURCE: Recreation Vehicle Industry Association

GM Exec Predicts Great RV Future

"The recreational vehicle industry can and should have a fantastic future," Robert D. Burger, a vice president of General Motors and manager of Chevrolet Motor Division, told 270 industry officials at Recreation Vehicle Industry Association's Annual Meeting in Hawaii Feb. 19.

"You have a right to feel very good about where the RV industry is heading," Burger said.

The industry has matured in the past 10 years and is more in tune with market demands. Products are affordable and the baby boomers—now approaching middle age—offer the largest, most affluent market for recreation and leisure travel products ever experienced. Two-income families and stable interest rates should signal continued prosperity for an expanding market that will remain solid for years to come.

"The RV business should be very good for a long time to come, stronger than the rest of the economy because the marketplace is looking for the kind of added emotional value that you know how to accomplish," Burger said.

Burger was the keynote speaker at RVIA's Chairman's Dinner. A veteran of more than 40 years with General Motors, which provides vans and motorhome chassis to the RV industry, Burger holds one of the most influential business positions in the country today. He has been general manager of Chevrolet since January 1984.

Robert D. Burger

"There are a lot of green lights," Burger said of the national economy.

"Our forecast is for economic growth in the three percent range, a five percent inflation rate, a drop in interest rates and continuing strong consumer attitudes. Energy costs are lower than they've been in a long time and can go even lower."

"Volume levels will stay very strong but with increased production capacity, increased competition and increased customer selectivity, we're all going to have to work very hard to get our share," he said.

Of the relationship between the RV industry and Chevrolet—which supplied more than 100,000 chassis to the RV industry last year—Burger said: "I think you can see why the recreation vehicle industry is so well positioned for growth and so important to us."

Vice President George Bush checks his wristwatch against the mantel clock presented to him and Mrs. Bush as RVIA's Special Award honoring their enthusiasm for outdoor recreation. The presentation was made by RVIA President David Humphreys (c.) and his wife Peggy (r) in the Vice President's office. Mrs. Bush was unable to attend.

RV Shipments *(from page 3)*

sider renting or buying a recreation vehicle in the next year or so?"—shows that 19.3% plan to rent and 5.5% plan to buy an RV.

Best Travel Bargain *(from page 2)*

ments or timesharing and membership plans, were not evaluated by Pannell Kerr Forster because of the unlimited number of variables that would need to be addressed. However, to help families determine the long-term economics of an RV purchase, Go Camping America Committee has reported the average retail prices for new RVs in 1984 as $3,541 for folding camping trailers, $6,031 for truck campers, $11,419 for travel trailers, $29,525 for mini-motorhomes and $44,246 for conventional motorhomes.

The study was sponsored by the Go Camping America Committee, a national organization representing RVIA, the Recreation Vehicle Dealers Association and the National Campground Owners Association.

Copies of the Pannell Kerr Forster report are available for $15 from the Go Camping America Committee, P.O. Box 2999, Reston, Va. 22090.

RV FINANCIAL FACTS

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription available upon request.

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